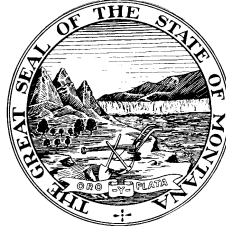


PUBLIC SERVICE COMMISSION
STATE OF MONTANA



Bill Gallagher, Chairman
Bob Lake, Vice Chairman
Kirk Bushman, Commissioner
Travis Kavulla, Commissioner
Roger Koopman, Commissioner

1701 Prospect Avenue
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Helena, MT 59620-2601
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January 3, 2014

Mr. Patrick R. Corcoran, Vice President
Government and Regulatory Affairs
NorthWestern Energy
40 East Broadway
Butte, MT 59701

RE: Data requests in Docket D2013.12.85

Dear Mr. Corcoran,

Enclosed please find data requests of the Montana Public Service Commission to NorthWestern Energy (NWE) numbered PSC-059 through PSC-066 in the above-referenced Docket. Please begin the response to each new numbered data request on a new page. Please provide responses by January 10, 2014. If you have any questions, please contact me at (406) 444-6191.

Sincerely,

Neil Templeton
Regulatory Division
Montana Public Service Commission

Service Date: January 3, 2014

DEPARTMENT OF PUBLIC SERVICE REGULATION
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MONTANA

* * * * *

IN THE MATTER OF NorthWestern Energy's)	REGULATORY DIVISION
Application for Approval to Purchase and)	
Operate PPL Montana's Hydroelectric Facilities,)	DOCKET NO. D2013.12.85
for Approval of Inclusion of Generation Asset)	
Cost of Service in Electricity Supply Rates, for		
Approval of Issuance of Securities to Complete		
the Purchase, and for Related Relief		

**DATA REQUESTS PSC-059 THROUGH PSC-066 OF THE
MONTANA PUBLIC SERVICE COMMISSION
TO
NORTHWESTERN ENERGY**

PSC-059

Regarding: Cybersecurity
Witness: Rhoads

- a. Discuss how cybersecurity is maintained as the plants are becoming more automated (e.g. WTR32:1-2, 19) and more interconnected (e.g. WTR32:9-11).
- b. Summarize any significant cybersecurity incidents involving these plants.
- c. Address any due diligence conducted as regards cybersecurity. Summarize any known deficiencies in cybersecurity and plans for upgrades.
- d. Discuss the potential harm that may arise from cybersecurity breaches, including worst case scenarios.

If the responses contains material protected by a previous Commission Order, such as CEII, indicate that as part of the submittal. If the response contains material not protected by a Commission Order, submit a Motion for Protective Order simultaneously. Also provide a publically releasable version of the response for each request.

PSC-060

Regarding: Physical Security

Witness: Rhoads

- a. Discuss how physical security is maintained as the plants are becoming more automated and therefore are not continuously manned.
- b. Summarize any significant physical security incidents involving these plants.
- c. Address any due diligence conducted as regards physical security. Summarize any known deficiencies in physical security and plans for upgrades.
- d. Discuss the potential harm that may arise from physical security breaches, including worst case scenarios.

If the responses contains material protected by a previous Commission Order, such as CEII, indicate that as part of the submittal. If the response contains material not protected by a Commission Order, submit a Motion for Protective Order simultaneously. Also provide a publically releasable version of the response for each request.

PSC-061

Regarding: O&M Expenditures

Witness: Rhoads

- a. In evaluating the O&M expenditures for the hydro plants (WTR-2.1, pp. 160-170), please describe efforts made to compare the historical and projected O&M expenditures of the PPLM facilities with historical and projected O&M expenditures of non-PPLM hydro facilities of similar age and capacity.
- b. If comparisons as described above were made, please provide documentation of the non-PPLM facilities (name, location, owner, facility age, operating environment, and other pertinent information) and their historical and projected O&M expenditures.

PSC-062

Regarding: Historical O&M Figures for Hebgen

Witness: Rhoads

In the table, "Historical Budget vs. Actual Financial Performance" (WTR-2.1, p. 162), it appears that figures for "Historical Annual Generation" and "Specific O&M, \$/MWhr" were omitted in the data provided for Hebgen. If this is an error, please correct and resubmit that page of the table.

PSC-063

Regarding: Conceptual Agreements
Witness: Rhoads

In a discussion of “Conceptual Agreements” that underlie the hydro facilities (WTR-2.1, pp. 186-187), similar limiting statements about the existence and details of easements are made for each of the facilities, i.e., “The size, location, and use of these easements are not described in the deed,” and “No information was provided regarding water or land leases on development land.” Does NWE have evidence to demonstrate that all deeds and leases for the hydro facilities are sufficient to ensure continued, desirable, and uncontested operation of the facilities? If such evidence exists, please describe it.

PSC-064

Regarding: Industry Practices for Hydro Facilities
Witness: Rhoads

- a. A summary finding of the “Due Diligence Report” states that “the ongoing program of upgrades and rehabilitation [for the hydro system] appears effective to maintain operational reliability and safety and is consistent with industry practices for similar facilities.” (WTR-2.3, p. 3.) Please provide the references, standards, codes, and related documentation that constitute the industry practices referred to.
- b. Please identify and provide descriptive information (hydro facility name, location, owner, capacity, facility age, operating environment, significant operational repairs, and other pertinent information) of all “similar facilities” that were investigated or evaluated in the context of passing judgment on the ongoing programs of the PPLM facilities.
- c. For any and all “similar facilities” provided in response to Part b., please describe the context in which each similar facility was utilized (e.g., O&M expenditures, capital expenditures, FERC licensing, operating performance, average net capacity) to provide comparative information for a corresponding PPLM hydro facility or for all PPLM facilities.

PSC-065

Regarding: Off-System Hedges
Witness: Hines

Please describe in detail how acquisition of PPLM’s Hydro assets would affect NWE’s procurement of off-system electricity supply hedges, with specific reference to the types of hedges that were contended in Docket No. D2012.5.49.

PSC-066

Regarding: Evaluating Other PPLM Assets

Witness: Stimatz

Please provide the version of your Exhibit_(JMS-1) that included analysis of other assets owned by PPLM referenced on JMS-4:9-10.